



STANDARD TERMS AND CONDITIONS

1. APPLICABLE CONTRACT PROVISIONS.

- (a) Valspar Sourcing, Inc. (or any one of its subsidiaries or affiliates) ("Buyer") has previously communicated to you an offer to purchase a quantity of products or services (the "Materials") at a defined price (the "Order"). The Order, which may be an oral communication or a written or electronic document, may have also included particular shipping instructions and/or other specifications required by Buyer for the Materials. These terms and conditions (these "Terms"), together with the Order, constitute an offer by Buyer to purchase from you ("Seller") the described Materials pursuant to these Terms. This offer is not an acceptance or a confirmation of any previous offer or proposal from Seller, and this offer shall be deemed to be a rejection and counteroffer with respect to any previous offer or proposal from Seller. Acceptance of any shipment of the Materials shall not be construed as an acceptance of any such previous offer or proposal or an acceptance of any different or additional terms proposed by Seller.
- (b) A contract shall come into being upon Seller's acceptance of the Order (each referred to as this "Agreement"). Seller shall be deemed to have accepted the Order upon the earlier of the commencement of production of the Materials for Buyer, the delivery of the Materials to Buyer, the performance of the services by Seller, Seller's written acceptance or confirmation of the Order, or by any other act or communication constituting legal acceptance, whether or not any such acceptance or confirmation purports to state terms additional to or different from those stated herein. Buyer hereby expressly objects to and rejects any such additional or different provisions, and none of such provisions shall be deemed to be a part of the contract between the parties unless specifically agreed to in writing by Buyer.

2. SALE OF MATERIALS.

- (a) Seller agrees to sell, transfer and deliver the Materials to Buyer for the purchase price set forth in the Order, subject to these Terms.
- (b) Buyer agrees to purchase the Materials, subject to these Terms and to pay Seller the purchase price set forth in the Order. Buyer shall have the right to cancel the Order prior to shipment

by notifying Seller. Any typographical or other clerical errors, made by Buyer, in any Order (including, without limitation, in relation to price) are subject to correction.

- (c) In the event of any unavailability or shortage of supply of Materials or any manpower required for the provision thereof, Seller shall, to the extent that it will not constitute a breach of any other agreement to which it is a party, treat Buyer as a preferred customer and use its reasonable endeavours to fulfil the Order in full within the timeframe set out in the Order.

3. PURCHASE PRICE AND TERMS OF PAYMENT.

- (a) Materials shipped against this Agreement shall be invoiced at the price set forth in the Order. Unless otherwise agreed to, payment of the purchase price shall be due ninety (90) days after the later of Buyer's receipt of Seller's invoice for such shipment and the date on which the Materials are received by Buyer.
- (b) Unless agreed to otherwise, the purchase price for the Materials shall include any taxes due with respect to the Materials. Buyer shall, however, pay for any taxes that it is statutorily required to pay. Seller shall provide Buyer with documentation satisfactory to Buyer that establishes Buyer's statutory liability to pay such taxes. If Seller fails to provide such documentation, Buyer shall not be obligated to pay any such taxes.
- (c) Unless agreed to otherwise, Seller shall be responsible for all shipping and insurance costs including without limitation, packing, crating and freight costs.
- (d) If Buyer fails to pay any amount payable by it under these Terms, Seller shall be entitled but not obliged to charge Buyer interest on the overdue amount, payable by Buyer forthwith on demand, from the date first overdue up to the actual date of payment, at the rate of 1% (one percent) per annum above the prevailing base rate of Buyer's principal bankers. For the avoidance of doubt, Seller shall not be entitled to suspend deliveries of the Materials (or any part of them) as a result of any sum remaining outstanding.
- (e) Buyer may set off any amount owing at any time from Seller to Buyer or any of its affiliates against any amount payable at any time by Buyer in connection herewith.

4. SHIPMENT, DELIVERY AND ACCEPTANCE.

- (a) Seller shall deliver the Materials D.D.P. (Delivery Duty Paid) to the place designated for shipment by Buyer in the Order. Seller shall follow any shipping instructions provided by Buyer and shall properly and carefully package the Materials to minimize the risk of damage in transit. Notwithstanding anything in the foregoing to the contrary, title to and risk of loss of

the Materials shall pass to Buyer only upon receipt of the same by Buyer, and notification to Seller by Buyer of any rightful rejection or revocation of acceptance of any Materials by Buyer shall immediately shift the risk of loss of such Materials, wherever located, to Seller.

- (b) Notwithstanding anything herein to the contrary, Buyer shall have a reasonable opportunity to inspect the Materials after the same have been delivered to Buyer's premises. Buyer shall not be deemed to have accepted any such Materials until the expiration of such reasonable time for inspection. The parties acknowledge and understand that Buyer may inspect any commercial lot of the Materials consisting of numerous units of the same product by inspecting only a reasonable sampling of such units and that Buyer may revoke acceptance of any other units of such commercial lot which Buyer at a later time discovers to be defective. Upon rejection or revocation of acceptance of any Materials, Seller promptly shall replace or correct, at Buyer's option, any unsatisfactory units at Seller's expense, including all shipping costs. Buyer's failure to inspect or reject Materials, or to make payment for Materials, shall not relieve Seller of any of its obligations hereunder or constitute a waiver of any of Buyer's rights hereunder.

5. WARRANTY PROVISIONS.

- (a) Seller hereby warrants to Buyer that in addition to any and all terms implied by law pertaining to the Materials: (i) the Materials shall be free from defects in materials and workmanship, and shall be of satisfactory quality and fit for their particular purpose; (ii) the Materials shall conform to all specifications and drawings provided by Seller and to any other specifications agreed upon between the parties; (iii) the Materials when shipped shall be free from all liens, security interests and encumbrances of any type whatsoever and shall not infringe the intellectual property rights of any third party; (iv) the Materials shall be manufactured, produced, furnished and delivered to Buyer in full and complete compliance with all applicable laws, rules, regulations and standards including, without limitation, those relating to hazardous substances, health and safety and equal opportunities; and (v) in the case of those Materials which are comprised of services, be carried out with reasonable care and skill and in a professional manner.
- (b) Seller agrees to indemnify Buyer and hold it harmless from and against any and all liabilities, damages, claims, costs, losses and expenses, (including, without limitation, legal expenses, loss of profits, loss of business, loss of goodwill, loss of or damage to equipment, products and/or machinery, and/or sums paid by Buyer to third parties, whether by way of compensation or otherwise) incurred or suffered by Buyer as a result of or in connection with

Seller's breach of any of its obligations hereunder including, without limitation, the supply by Seller of any Materials which breaches any of the warranties set out in clause 5(a) herein.

6. DEFAULT.

- (a) Seller shall be deemed to be in default hereunder if it breaches any of these Terms or if it performs or fails to perform any other act, whether pursuant to this Agreement or otherwise, which gives Buyer reasonable grounds to feel insecure with respect to Seller's future performance hereunder.
- (b) Upon default by Seller hereunder, Buyer may exercise any or all of the following rights and remedies, in addition to such other rights and remedies as may be provided hereunder or under applicable law: (i) reject or revoke acceptance of any or all of the Materials, whether or not such Materials are defective and whether or not the condition of delivery thereof otherwise relates to, pertains to, concerns or gives rise to such event of default; and/or (ii) cancel any Order with respect to Materials not yet delivered to Buyer at the time of such termination. Buyer's decision to pursue any one such remedy shall not be deemed to be an election not to pursue any other remedy at the same time or at any other time.

7. GENERAL PROVISIONS.

- (a) Seller agrees to indemnify and hold Buyer harmless from and against any and all liabilities, damages, claims, costs, losses and expenses (including, without limitation, legal expenses) incurred or suffered by Buyer as a result of or in connection with any claim, action or allegation that the use by Buyer (or on Buyer's behalf) of any of the Materials infringes any intellectual property rights of a third party. Buyer shall notify Seller in writing of any such claim, action or allegation promptly after learning of the same and shall assist and cooperate in the defence or settlement thereof. Such defence or settlement shall be at Seller's sole expense, and Seller shall pay all damages and costs finally awarded against Buyer as a result of any action or proceeding.
- (b) This Agreement shall constitute the complete understanding and contract between Seller and Buyer with respect to the subject matter hereof and supersedes any prior written or oral understandings with regard thereto.
- (c) Time is of the essence in Seller's performance. No purported amendment, modification or waiver of any provision of this Agreement or resulting contract shall be binding on Buyer unless set forth in a written document signed by an authorised representative of Buyer. Any waiver shall be limited to the circumstance or event specifically referenced in the written waiver document and shall not be deemed a waiver of any other term of this Agreement

between Seller and Buyer or of the same circumstance or event upon any recurrence thereof. Seller may not assign any of its rights or obligations without Buyer's prior written consent.

- (d) If any provision hereof is held to be unenforceable by the final order of any court of competent jurisdiction, such provision shall be severed herefrom and shall not affect the interpretation or enforceability of remaining provisions hereof.
- (e) This Agreement and the resulting contract between the parties shall be governed by and interpreted in accordance with English law and the parties hereto hereby submit to the non-exclusive jurisdiction of the English courts.
- (f) All information, drawings, material, goods, equipment, apparatus or documents disclosed or delivered to Seller by Buyer or arising from work or services done for Buyer, and also all knowledge of any business relationship between Seller and Buyer, shall be treated by Seller as confidential proprietary information of Buyer and shall not be disclosed or made available to others by Seller without prior permission of Buyer. Seller also agrees not to use any of such information, drawings, material, goods, equipment, apparatus or documents for the manufacture or production of products or components for any other party or for Seller. Such obligation shall not apply to any information, material, goods, equipment or apparatus which Seller establishes (i) is already known to Seller at the time of its receipt from Buyer as shown by Seller's records, (ii) is or subsequently becomes available and accessible to the public through no fault of Seller, or (iii) is disclosed to Seller by a third party on a non-confidential basis.
- (g) The title to any tangible property, including but not limited to material, goods, equipment, apparatus, documents, and literary property (e.g. drawings, manuscripts, artwork, motion pictures, video programs, and computer software), provided to Seller by Buyer or produced by Seller in submitting a bid or estimate or in carrying out an Order for Buyer shall be vested in Buyer, and Seller agrees to return or deliver such tangible property to Buyer upon request.
- (h) Where the Order provides for the design or development of any Material by Seller for Buyer, all patents, designs, copyrights and all other intellectual property rights, and rights to apply for such intellectual property rights, in such Material and all other designs, drawings, specifications and other documentation produced or developed by Seller in connection with the same (collectively "Work Product") shall vest in Buyer and Seller shall execute all documents and do all acts as are necessary to assign the legal title to such intellectual property rights to Buyer for no additional charge. In the event that the assignment of any intellectual

property rights in any Work Product is not permitted under any applicable law, Seller hereby grants to Buyer an exclusive, royalty-free, perpetual, irrevocable licence (with the ability to grant sub-licences and transfer such licence to third parties) to use and to have used the Work Product for any purpose.